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## CENTRAL INTELLIGENCE AGENCY

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## MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Current Outlook in Indochina

This estimate has been prepared at your direction by the Board of National Estimates. It is based on intelligence available from the IAC agencies as well as CIA sources. It has not, however, been coordinated with any of the IAC agencies.

## CONCLUSIONS

1. From a strictly military viewpoint, Viet Minh operations in Indochina over the past several weeks have not appreciably altered the situation and the war remains essentially a stalemate. The principal effects of these operations have been psychological and political, rather than military.
2. Viet Minh successes over the past weeks have consisted almost solely of thrusts into lightly-held areas of minor military importance and forays by irregular troops into areas under Vietnamese control. Viet Minh forces have not during this period defeated any French Union units of major size, and they have avoided engaging substantial concentrations of French Union forces whenever possible. Early French reports that Viet Minh capabilities at Dien Bien Phu had been increased by the possession of 105 mm. artillery and 37 or 40 mm. anti-aircraft guns have never been confirmed. Use of such weapons has not been reported in any Viet Minh operations thus far. Photo-reconnaissance by a US team (including infra-red) has failed to disclose such weapons.
3. However, in order to check the presently growing defeatist trend in France, the French must achieve some military successes during the present season. We consider it unlikely that during the remainder of this fighting season the French can achieve sufficient military successes to check this trend. We believe therefore that by the end of this season in late spring pressures in France for added relief from the burdens of the war will greatly increase. In this situation, it is possible that

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the French will declare that the only alternative to negotiation with the Communists is direct military participation by allied forces.

#### DISCUSSION

4. During the past several weeks, Viet Minh forces in Indochina have conducted a series of offensive operations. These include: (a) a thrust across the waist of Indochina and subsequent harassing operations in the Thakhek-Savannakhet region of Laos; (b) the encirclement of Dien Bien Phu, a French strongpoint near the northern border of Laos, and a subsequent thrust southward toward the Laotian capital, Luang Prabang; and (c) widespread harassing operations throughout Vietnam.

5. With the exception of the encirclement at Dien Bien Phu, these operations took place in areas which were lightly-held by French Union forces. The Minh have not defeated French Union units of major size, and they have avoided engaging substantial concentrations of French Union forces whenever possible. It is particularly noteworthy that after massing troops at Dien Bien Phu at greater than 2 to 1 superiority and apparently making extensive preparations for an assault, the Viet Minh finally elected to contain and by-pass the French strongpoint and thrust into lightly-defended areas in Laos. Moreover, despite early French reports that Viet Minh capabilities at Dien Bien Phu had been increased by the possession of 105 mm. artillery and 37 or 40 mm. anti-aircraft guns, these reports have never been confirmed and use of such weapons has not been reported in any Viet Minh operations thus far. Photo-reconnaissance by a US team (including infra-red) has failed to disclose such weapons. However, Chinese Communist aid over the past several months has included greater amounts of modern materiel and increased numbers of Chinese personnel in training and advisory capacities.

6. The French Union forces have demonstrated considerable defensive ability in countering the recent Viet Minh moves. Exploiting their airborne and air-lift capability, the French were able to check the Viet Minh thrust at Savannakhet with mobile and parachute units, and they were able to mass a formidable defensive force at Dien Bien Phu. They almost certainly have the capability to make a similar defense at Luang Prabang. However, they have also displayed a lack of initiative and aggressiveness and have thrown away chances to deal crushing blows to Viet Minh forces. Vietnamese militia forces in the south have, in several instances, abandoned isolated positions,

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but there have been no known instances in which regular Viet Nam forces have deserted or defected to the Viet Minh.

7. The recent Viet Minh offensive thrusts and French Union countermoves have dispersed French Union forces throughout much of Indochina and led them to assume static defensive roles. These Viet Minh operations have not, however, appreciably altered the balance of military power in Indochina, and the war remains essentially a stalemate. The Viet Minh and French Union forces opposed in the Tonkin Delta, the strategic center of the Indochina war, remain substantially in balance. Moreover, the French have launched offensive operations in the southeastern coastal regions as called for by the Navarre Plan and have achieved an initial success. The airborne mobility of the French enables them to reinforce their Delta defenses if necessary and thereby nullify Viet Minh drives in that vital region.

8. The principal effects of these Viet Minh operations, however, have been psychological and political, rather than military. In conducting this series of thrusts over an extensive area, the Viet Minh have obtained at small cost a psychological and propaganda advantage over the French and Indochinese.

9. In broader terms, the combination of Viet Minh psychological victories and continued French defensive-mindedness throughout the current fighting season has brought the Indochina situation one step nearer crisis. The burden of victory is on the French. They must achieve some military successes in Indochina during the present fighting season in order to gain time and to check the defeatist trend in France and Indochina. Furthermore, they must continue to have military successes in order to create the psychological climate essential to the success of the Navarre long-range program of establishing a native Indochinese force capable of assuming a major role in winning the war. Although this plan calls for establishing such a force by spring 1955, we consider that under present French direction it will take considerably longer, probably an additional year. To a considerable extent, the future of the war depends on whether the French and Indochinese have enough stamina to resist defeatist pressures and carry out their long-range program. From the Communist viewpoint, prospects for eventual victory are good if they do no more than maintain the military stalemate.

10. France has been placed under additional pressures by the increased significance of Indochina in international affairs. With the Korean armistice in effect, Indochina has become the major point of armed conflict between the East and the West.

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Consequently, the Indochina war has assumed greater prominence in potential East-West negotiations, and there have been repeated Soviet hints at the Berlin conference that a negotiated settlement in Indochina could be achieved in return for French concessions in Europe.

11. We consider it unlikely that during the remainder of this fighting season the French can achieve sufficient military successes to check the trend in France toward defeatism. We therefore believe that by the end of the current fighting season in late spring the pressure in France for added relief from the burdens of the war will greatly increase. In this situation, it is possible that the French will declare that the only alternative to negotiation with the Communists is direct military participation by allied forces. <sup>25X1</sup>

  
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